

## Frequently Asked Questions – April 1, 2024 Accommodation Tax Rate Increase

On March 20, 2024 Winnipeg City Council approved that the Accommodation Tax Rate be increased from 5% to 6%.

The following Frequently Asked Questions regarding the implementation of the rate increase have been put together to assist operators responsible for collecting and remitting the accommodation tax.

1. Q – Prepaid Reservations – Does the new rate or old rate apply to a prepaid reservation?

A - For a prepaid reservation that was paid before April 1 but whose stay is after April 1, 2024 the rate that was in place at the time of purchase would apply. Therefore, the 5% applies to anything prepaid before April 1, and 6% after April 1.

2. Q – Reservations made before April 1, 2024 for stays after April 1, 2024. Does the new rate or old rate apply to Reservations made before April 1, 2024?

A – If the reservation was not prepaid, the rate at the time payment is made applies. Therefore, in most cases this would be upon checkout, which if after April 1, 2024, the 6% rate applies.

3. Q – Will there be any grace period for reservations made through third party reservation services that take payment and may not update their systems on a timely basis?

A – There is no ability to offer a waiver or grace period as the accommodation tax rate is legislated. However, please keep us informed on the status of the third-party reservation services compliance status, and reasonable discretion will be applied to those individual circumstances.